

What You Should Know About Cross-Industry Fraud

PREVALENCE AND PREVENTION TRENDS

LexisNexis® Risk Solutions surveyed 800 fraud mitigation professionals from five industry sectors and government who have oversight or direct involvement in fraud programs at their organizations.



Insurance



Financial Services



Retail



Government



Healthcare



Communications

The annual study tracks the prevalence of cross-industry fraud—meaning fraud that touches multiple industries—but also gauges current and emerging fraud trends. This year's study takes a closer look at concerns related to data security and fraud from compromised identities.

Read on for the highlights, and discover key trends from the detailed industry report at www.lexisnexis.com/fraudstudy

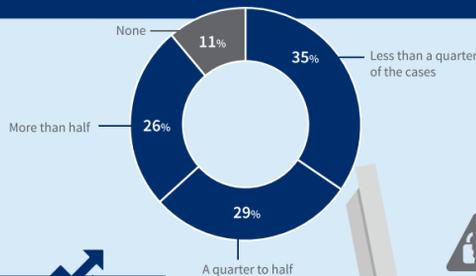
CROSS-INDUSTRY FRAUD IS INCREASING

For the first year since the Fraud Mitigation Study's inception, there was an increase in the percentage of respondents (89%) who indicated that they see cross-industry fraud in at least some of their cases.

This number is up five percentage points from previous years' surveys.



What Percentage of your Fraud Cases are Connected to Another Industry?



Cross-industry fraud is prevalent across organizations, and 80% of fraud instances have a moderate to high financial impact.

Industry-specific Findings:
Financial services (7%) and government (6%) most often say their fraud cases are *always* cross-industry.
Financial services reports the highest impact of cross-industry fraud cases (59% high impact).

Identity Theft is Still the Biggest Fraud Concern

When asked about fraud schemes, organizations are most concerned with identity theft (47%)—consistent with findings from 2017.

This is followed by falsified claims (42%) and data/IT hacks or breaches (37%).



Similarly, four in 10 believe there has been an increase in fraud due to high-profile data breaches.

47% IDENTITY THEFT

42% FALSIFIED CLAIMS

37% DATA / IT HACKS OR BREACHES

36% EMPLOYEE / AGENT FRAUD

35% LYING ON APPLICATIONS

31% FRAUDULENT ACCESS TO BENEFITS

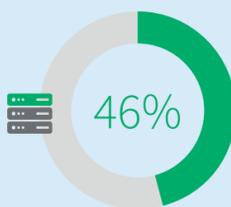
26% ORGANIZED CRIMINAL ACTIVITY

More Resources Focus on Identity Fraud

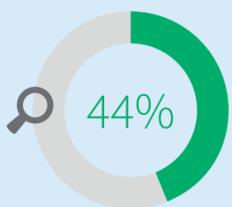
In the past year, 62% of organizations have taken **additional steps** to protect customers from identity fraud. *These include:*



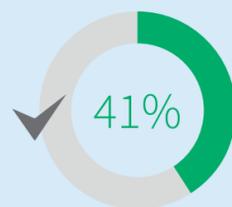
Adding additional identity verification that customers must complete



Implementation of data analysis or an analytics engine for earlier fraud detection



Conducted an audit of their system security



Began verifying transactions / applications against a list of known compromised IDs

Industry-specific Findings:
Communications (80%) and financial services (73%) are most likely to have taken new steps to mitigate identity fraud.

What Solutions Do We Have?

Of all types of analytics solutions, fraud mitigation professionals are primarily using **behavioral analytics**, which represents a shift away from automated business rules and other less sophisticated methodologies.



Over three-quarters of those surveyed indicate that a **reliance on analytics-based solutions** is continuing to increase year-over-year from 74% to 79%.

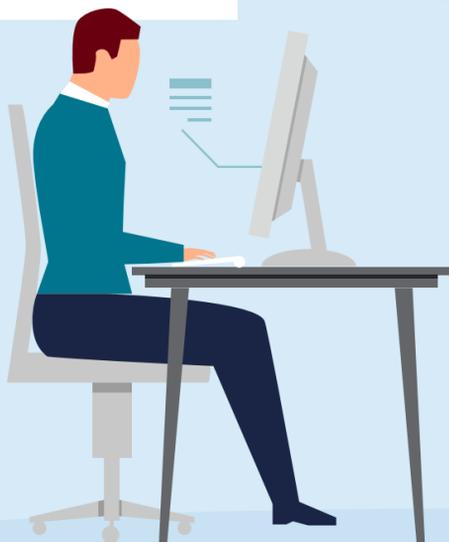
+5% POINTS

What Solutions Do We Need?

The vast majority of respondents (84%) would consider participating in a centralized cross-industry database for known fraud.

84%

81% FIND VALUE IN ACCESSING FRAUD DATA FROM OTHER INDUSTRIES



Fraud occurs along the customer continuum and across many industries. By leveraging cross-industry data coupled with analytics-based solutions, fraud mitigation professionals can be better equipped to detect and combat fraud within their specific industries.